

# Single Process Initiative

## SPI AND THE MODIFICATION PROCESS

The modification process under the Single Process Initiative (SPI) allows for the use of a **unilateral ARZ administrative modification** as described in FAR Part 204.7004(c)(5), even though the modification may not necessarily be administrative in nature.

**In performing Block Changes to contracts, contractors first submit recommended process changes as Concept Papers.** After technical agreement has been reached by all affected parties, the cognizant Administrative Contracting Officer (ACO) can then modify all applicable contracts at a given facility. Authority to do so is provided in the USD(A&T) letter dated December 8, 1995, Single Process Initiative. This process is to be used for "No Action" modifications only, that is, modifications that do not change Mechanization of Contract Administration Service (MOCAS) data elements. If contracts require equitable adjustments, they should be processed using a separate Supplemental Agreement after negotiations have been concluded.

**It is recommended that the block change modification be issued as soon as possible** so that the Government and contractor can begin reaping benefits from any cost savings/avoidances. Even in those cases where savings are significant and require further negotiations, the ACO should still issue an initial block change modification and then definitize the action with a Supplemental Agreement as soon as possible. In such cases, the initial block change modification must contain language that preserves the Government's entitlement to an equitable adjustment or other appropriate consideration.

**The modification language should be drafted by the ACO and furnished to the contractor and all affected Procurement Contracting Officers (PCOs) prior to execution.** This should be done as early as possible while the Concept Paper is in coordination. If you would like a sample draft modification, please contact your District Functional and System Support Team (FASST) team representatives. The ACO should ensure that the Government legal office reviews the modification as well.

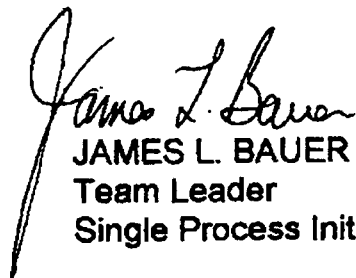
**It is recommended that a Memorandum of Agreement (MOA) be drafted which describes the proposed modification and implementation schedule.** A list of affected contracts, if different than the entire listing of contracts at a facility, should be attached. After the ACO and the contractor sign the MOA, the Standard Form (SF) 30, Amendment of Solicitation/Modification of Contract, should be coordinated with the Defense Finance and Accounting Service (DFAS) Contract Entitlement Directorate Systems Office, DFAS-JXS, and the District FASST. MOCAS will automatically issue the correct ARZ number for each contract. An

alternative process is to issue a bilateral class modification, but this would require listing the sequential modification number for each contract at a facility.

On the SF-30, please leave block #2, Amendment/Modification No., blank when executing an ARZ modification. In block #10A, Modification or Contract/Order No., cite a reference to the attached list of contracts if necessary. The MOA and list of contracts should be referenced in -- and included as an attachment to -- the SF-30. Cite the USD(A&T) letter in block #13 as authority for the modification. In block #14, Description of Amendment/Modification, briefly describe the attached MOA between the Government and contractor.

For Concept Papers that do not require contract modifications, a Memorandum of Understanding (MOU) can be drafted and signed by the ACO and contractor to implement the process changes proposed.

Please direct any questions regarding this matter to the Block Change Team at DCMC Headquarters at (703) 767-2471 or DSN 427-2471.



**JAMES L. BAUER**  
Team Leader  
Single Process Initiative Team

(For Information Only - Not Official Policy) This is the seventh in a series of Single Process Initiative (SPI) information sheets. These information sheets are intended to facilitate implementation of SPI and are for internal use by Defense Contract Management Command (DCMC) personnel.